

SERIAL 97143 -SC

ACTUARIAL SERVICES, RISK MANAGEMENT

Page 1 of 23

OCTOBER 31, 2001

CONTRACT PERIOD THROUGH ~~OCTOBER 31, 2000~~

TO: All Departments

FROM: Department of Materials Management

SUBJECT: Contract for **ACTUARIAL SERVICES, RISK MANAGEMENT**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by the Board of Supervisors on **OCTOBER 22, 1997**.

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.

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Wes Baysinger, Director  
Materials Management

~~SD/af~~ KD/cd  
Attach

Copy to: Clerk of the Board  
**SAMANTHA WRIGHT** ~~Rocky Armfield~~, Risk Management  
**Monica Mendoza**, ~~Pat Sutton~~, Materials Management  
~~Steve Ellis, Materials Management, MMC~~

MARICOPA COUNTY  
REQUEST FOR PROPOSALS

SERIAL 97143-RFP

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SPECIFICATION ON CALL FOR BIDS FOR: **ACTUARIAL SERVICES - RISK MANAGEMENT****1.0 INTRODUCTION**

- 1.1 This document constitutes a Request For Multiple Step Bid (MS), via sealed proposals, to provide an **annual actuarial evaluation** through the collection and evaluation of data and information and the completion of an annual valuation report presented in final form that meets the approval of the Maricopa County, Arizona Risk Manager by January 5 of each contract year.
- 1.2 This Request For Proposals purpose is to identify and select, at the sole discretion of Maricopa County, the most qualified casualty actuarial consulting services provider for Maricopa County. The qualification process shall entail a review of each Contractor's qualifications, answers to specific questions, response to data and information requests, and shall include price, service information and reference feedback.

**2.0 BACKGROUND**

- 2.1 The Maricopa County Risk Management Department is responsible for managing the risk management, purchased insurance and self-insurance programs of Maricopa County. Major portions of this responsibility include risk financing, contractual indemnification and insurance review and compliance, claim and litigation management, loss control/prevention, environmental compliance and risk financing.
- 2.2 Maricopa County began its public liability, workers' compensation and medical malpractice self-insurance programs effective July 1, 1981. The **public liability** program includes automobile liability; general liability including bodily injury, property damage, personal injury and employer's liability; sheriff/police liability; third-party environmental impairment; and public officials errors and omissions.
- 2.3 Currently, Maricopa County's **workers' compensation** claims are administered by a Third Party Provider (Alexis Risk Management Services) whose contract expires during FY 98. Accordingly in June 1997, a Request For Proposal for workers' compensation TPA Services was solicited. Maricopa County's maintains a \$ 250,000 per occurrence SIR .
- 2.4 Currently, Maricopa County's public liability, property and medical malpractice **claims** are managed by in-house adjusters. However, during FY 98 the in-house adjusting process will undergo a Competitive Analysis (privatization review). Maricopa County maintains a \$1,000,000 public liability per occurrence SIR and \$20,000,000 limits.
- 2.5 Maricopa County's primary **medical malpractice** exposure is the Maricopa Medical Center. For the first time, effective December 1995, Maricopa County purchased a \$ 1,025,000 medical malpractice per claim SIR and \$10,000,000 per claim limit. Maricopa County contracts with the Medical Professional Associates of Arizona, P.C. (MedPro) for the provision of professional health care,

clinical and academic services at the Maricopa Medical Center. By contract MedPro must purchase and maintain physician professional liability insurance for itself, and its employees and agents.

## 2.0 BACKGROUND: (continued)

- 2.6 Maricopa County's purchases and maintains blanketed \$600,735,395 **property** insurance with a \$ 100,000 per occurrence deductible, and a \$ 10,000,000 **aviation** liability insurance policy.
- 2.7 During FY 98 Maricopa County will conduct a cost benefit analysis of purchasing, for the first time, an **Environmental** Impairment Liability insurance policy.
- 2.8 The Maricopa County Office of the County Attorney is appointed to defend most lawsuits filed against Maricopa County; however, this **legal expense** has not been charged against specific lawsuits since July 1995. Outside counsel is appointed in approximately 10% of the lawsuits filed and this expense is charged against specific lawsuits.
- 2.9 A summary of Maricopa County's exposures, historic SIR's and current purchased insurance program is included herein.
- 2.10 Risk Management uses Dorn Technology's Risk Master/WIN software in support of it's Risk Management Information System.

## 3.0 CONTRACTOR/ACTUARY QUALIFICATIONS

- 3.1 In your office that will primarily provide these actuarial services, Contractor's staff should include a member of the Casualty Actuarial Society.
- 3.2 Must have a national casualty actuarial resource office.
- 3.3 Must have public entity actuarial experience with public entities employing no less than 5,000 FTE's.
- 3.4 Must have recent State of Arizona public entity casualty actuarial experience.
- 3.5 Must have demonstrated, thorough actuarial experience with the following areas public entity loss exposures: automobile liability and physical damage; workers' compensation; medical malpractice; property; police/sheriff liability; errors and omissions; aviation; and general liability including personal injury and employment matters.
- 3.6 Must quote all services on an hourly basis, with an annual cost limit (not-to-exceed) which shall include, but not be limited to, facsimile, travel, copy, mail, telephone, production, reproduction or incidental expenses.

## 4.0 GENERAL REQUIREMENTS:

- 4.1 The Contractor shall conduct necessary research and analysis and make recommendations utilizing and data and information readily available through the Maricopa County, Risk Management Department; and, such data and information will be augmented with "industry" data and information. Existing and proposed Federal and State of Arizona statutory and legal requirements and limitations and scope of current and future Maricopa County Risk Management strategic plans must be considered in the research, analysis and recommendations.
- 4.2 Regularly scheduled meetings will be conducted between the Contractor and Risk Management to discuss report objectives and, as work progresses, the reports' recommendations. The Contractor shall attend at least three meetings with Risk Management during the Contract's first year and two annually thereafter. Travel time and expense to and from Contractor's domicile or office shall not be billable.
- 4.0 GENERAL REQUIREMENTS: (continued)
- 4.3 Contractor shall assist in identification, preparation and assemblage of required data and information by providing Risk Management timely, precise, necessary, clear and concise requirements including scope and format.
- 4.4 Initial and final written reports shall be received and approved by the Risk Manager by December 1 and January 5 respectively of each report period. Contractor shall provide a minimum of ten initial and 20 final report copies; however, the number required may be lowered based upon need as decided by the Risk Manager. Only the final report need look professional.
- 4.5 Valuation shall include paid claims and reserve funding adjustments for **prior** loss years as well as five years' projection of **future** claims and funding recommendations.
- 4.6 Contractor's annual report shall include actuarially calculated estimates of Maricopa County's self insured workers' compensation, general liability, automobile liability, automobile physical damage, property, medical malpractice and environmental liability claims projected at 55%, 70% and 90% confidence levels.
- 4.7 Contractor's annual report shall include projections for all prior years and all future years as specified by the Risk Manager, for each claim/loss type's expected claim count, frequency, average severity, paid losses, case reserves, IBNR and recommended funding levels.
- 4.8 Upon request of the Risk Manager, Contractor shall review and prepare incurred cost estimates of proposed legislation.
- 4.9 Upon request of the Risk Manager, Contractor shall provide studies for proposed or future risk management programs utilizing appropriate actuarial and simulation methodologies.
- 4.10 Contractor shall be required to calculate project or estimate outstanding liabilities as of June 30 of each fiscal year (July 1- June 30).

- 4.11 Projections and estimates shall include losses with and without the effect of discounting for future investment income at an annual rate of return as provided and approved by the Risk Manager.
- 4.12 Contractor shall specify the principals responsible for the management of all activities during the Contract's term. Further, only one consultant shall be assigned to the entire annual report process with a designated back-up and support personnel.
- 4.13 Contractor shall remove and replace personnel, with personnel satisfactory to the Maricopa County Risk Manager, assigned to the Contract who do not perform in a manner satisfactory to the Risk Manager and obtain prior approval of Contractors' personnel assigned to the Contract.
- 4.14 The Maricopa County Risk Manager shall be the final authority in matters of policy, procedures and approval of, and relating to, the annual reports. If the Risk Manager determines the Contractor's work is unsatisfactory, either before or after the initial report or final report is issued, because it did not conform to this Contract's Scope of Work or specifications, the Contractor shall submit a revised report at the Contractor's expense within the time period required by the Risk Manager.

4.0 GENERAL REQUIREMENTS: (continued)

- 4.15 During the annual reports' preparation and publication Contractor shall submit detailed, itemized monthly invoices for the work to the Maricopa County Risk Management Department. Invoices shall include the month's actual hours worked, the billing rate, personnel classification and the hourly rate. Invoices shall be for actual hours worked by an individual times the appropriate hourly rate for that individual as specified by the Contract. Invoices shall display costs by project, current month and year-to-date expenses and the remaining approved, budgeted amount by project.

5.0 CONTRACTOR'S QUESTIONNAIRE:

Your proposal must include the following answers or requests for information:

- 5.1 What specific claim and exposure data and information will you require to complete your evaluation and final report?
- 5.2 In what format do you desire Risk Management to provide the data and information described in Question One above?
- 5.3 What percent of the actuarial studies you have conducted involved public entities with a minimum of 5,000 FTE's?
- 5.4 In your office that will primarily provide these actuarial services, what is the extent and scope of your Arizona public entity experience?
- 5.5 In your office that will primarily provide these actuarial services, what is the employee turnover ratio for the periods:

July 1, 1994-June 30, 1995; July 1, 1995-June 30, 1996; and July 1, 1996-June 30, 1997?

- 5.6 Provide the following information related to at least three of your previous or current public entity actuarial contracts:
- a. Name, contact, address, telephone and facsimile number of contracting public entity and specific department.
  - b. Dates of contract.
  - c. Brief, written description of the specific prior or current contracts' Scope of Work.
- 5.7 Provide an organization chart displaying your staffing and lines of authority for key Contractor employee assigned this Contract. The relationship of the project leader to Contractor management and to designated support personnel should be clearly illustrated.
- 5.8 Provide a resume or curriculum vitae of key Contractor personnel assigned to this Contract and explain the professional credentials, experience and expertise of each.
- 5.9 List the names and professional credentials, experience and expertise of any subcontractors expected to provide any portion of this Contract's Scope of Work.
- 5.10 In which month do you wish to begin receiving County data and information in preparation for the annual report?
- 5.0 CONTRACTOR'S QUESTIONNAIRE: (continued)
- 5.11 Provide a **work plan** that includes a sequential description of the tasks or events necessary to accomplish this Contract's Scope of Work and a list of the specific Contractor employees who are to be assigned each task or event.
- 5.12 Include a sample of the final annual report you plan to provide Risk Management.
- 5.13 Describe your approach and methodology(ies) used for each of the following claim/loss types:
- a. workers' compensation,
  - b. general liability,
  - c. environmental liability,
  - d. automobile liability,
  - e. automobile physical damage,
  - f. property and
  - g. medical malpractice.
- 5.14 Do you apply "industry" loss trends and actuarial practices in calculating loss data and funding recommendations? Do you make allowances for geographical differences? If so, explain by claim/loss type.

5.15 Do you apply different methodologies for large public entities than those applied to private entities with a comparable number of FTE's? If so, please explain:

5.16 Provide additional information about your firm that would be informative.

6.0 ADMINISTRATIVE INFORMATION:

6.1 SCHEDULE OF EVENTS:

Request for Proposals Issued: \_\_\_\_\_

Deadline for submission of proposals, 2:00 P.M., MST on September 26, 1997 All proposals must be received before September 26, 1997, 2:00 P.M. on above date at Maricopa County Materials Management Department, 320 West Lincoln, Phoenix, Arizona 85003.

**October 10, 1997**

Proposed review of proposals: ~~October 17, 1997~~

**October 8, 1997**

Proposed vendor presentations: (Optional) ~~October 10, 1997~~

**October 14, 1997**

Proposed selection: ~~October 24, 1997~~

**October 22, 1997**

Proposed award of contract: ~~November 26, 1997~~

**THERE WILL BE A MANDATORY PRE-BID CONFERENCE ON SEPTEMBER 10, 1997 AT 9:00 AM AT THE MARICOPA COUNTY MATERIALS MANAGEMENT DEPARTMENT, 320 W. LINCOLN, ST., PHOENIX, AZ 85003**

6.2 All responses to this proposal become the property of Maricopa County will be held confidential, to the extent permissible by law. The County will not be held accountable if material from proposal responses is obtained without the written consent of the proposer by parties other than the County.

6.0 ADMINISTRATIVE INFORMATION: (continued)

6.3 INQUIRIES:

All inquiries concerning information contained herein shall be addressed to:

MARICOPA COUNTY  
DEPARTMENT OF MATERIALS MANAGEMENT  
ATTN: CONTRACT ADMINISTRATION  
320 WEST LINCOLN  
PHOENIX AZ 85003

Administrative telephone inquiries shall be addressed to:

STEVE DAHLE, CONTRACT SPECIALIST II - (602) 506-3450



Technical Telephone inquiries shall be addressed to:

ROCKY ARMFIELD, RISK MANAGEMENT, (602) 506-7180

Inquiries may be submitted by telephone but must be followed up in writing. No oral communication is binding on Maricopa County.

6.4 CHANGE ORDERS:

Maricopa County may institute changes or modifications to the specifications and will notify all participants by an addendum to this Request for Proposal.

6.5 NON-COLLUSION:

The Contractor expressly warrants and certifies that neither the Contractor nor its employees or associates has directly or indirectly entered into any agreement, participated in any collusion or otherwise taken any action in restraint of free competitive bidding in conjunction with this bid.

6.6 COVENANT AGAINST CONTINGENT FEES:

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona-fide employees or bona-fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach of violation of this warranty, the County shall have the right to terminate this Agreement in accordance with the termination clause, and at its sole discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

6.7 Statutory Right of Cancellation for Conflict of Interest:

Notice is given that pursuant to A.R.S. § 38-511 the County may cancel this contract without penalty or further obligation within three years after execution of the contract, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County is at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or consultant to any other party of the contract with respect to the subject matter of the contract.

6.0 ADMINISTRATIVE INFORMATION: (continued)

6.7 Statutory Right of Cancellation for Conflict of Interest:  
(continued)

Additionally, pursuant to A.R.S. § 38-511 the County may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County from any other party to the contract arising as the result of the contract.

6.8 FINANCIAL STATUS:

All contractors shall make available upon request a current audited financial statement, a current audited financial report, or a copy of a current federal income tax return. Failure or refusal to provide this information within five (5) business days after communication of the request by the County shall be sufficient grounds for the County to reject a bid or proposal, and/or to declare a contractor non-responsive and/or non-responsible, as those terms are defined in the Maricopa County Procurement Code.

If a contractor is currently involved in an ongoing bankruptcy as a debtor, or in a reorganization, liquidation, or dissolution proceeding, or if a trustee or receiver has been appointed over all or a substantial portion of the property of the contractor under federal bankruptcy law or any state insolvency law, the contractor must provide the County with that information as part of its bid/proposal/quote. The County may consider that information during evaluation of the bid/proposal/quote. The County reserves the right to take any action available to it if it discovers a failure to provide such information to the County is a bid/proposal/quote, including, but not limited to, determination that the contractor should be declared non-responsive and/or non-responsive, and suspension or debarment of the contractor, as those terms are defined in the Maricopa County Procurement Code.

By submitting a bid/proposal/quote in response to this solicitation, the contractor agrees that, if, during the term of any contract it has with the County, it becomes involved as a debtor in a bankruptcy proceeding, or becomes involved in a reorganization, dissolution or liquidation proceeding, or if a trustee or receiver is appointed over all or a substantial portion of the property of the contractor under federal bankruptcy law or any state insolvency law, the contractor will immediately provide the County with a written notice to that effect, and will provide the County with any relevant information it requests to determine whether the contractor will meet its obligations to the County.

6.9 AMENDMENTS:

All amendments to this contract must be in writing and signed by both parties.

6.10 CONTRACT COMPLIANCE MONITORING:

The Materials Management Department and Risk Management (using department) shall monitor the Contractors compliance with, and performance under, the terms and conditions of the Contract.

The Contractor shall make available for inspection and/or copying by the County all records and accounts relating to the work performed or the services provided in this Contract.

6.0 ADMINISTRATIVE INFORMATION: (continued)

6.11 CONFORMATION WITH THE LAW:

This service shall be accomplished in conformity with the laws, ordinances, rules, regulations and zoning restrictions of the United States of America, the State of Arizona, County of Maricopa, and the City of Phoenix.

6.12 NON-DISCRIMINATION:

The Contractor in the performance of this contract will not discriminate against any employee for employment based on race, religion, sex, national origin or disability.

6.13 COMPLIANCE WITH THE IMMIGRATION REFORM AND CONTROL ACT OF 1986 (IRCA) REQUIRED:

Contractor understands and acknowledges the applicability of the IRCA. Contractor agrees to comply with the IRCA in performing under this Agreement and to permit County inspection of personnel records to verify such compliance.

6.14 FACILITIES:

During the course of this Agreement, the County shall provide the Contractor's personnel with adequate work space for consultants and such other related facilities as may be required by Contractor to carry out its obligation enumerated herein.

6.15 CONTRACT REPRESENTATIVES:

Any changes in the method or nature of work to be performed under this Agreement must be processed by the County through the Contractor's Contracts Manager. Upon the execution of this Agreement, the County will name its representative who will be legally authorized to obligate the County under this Agreement.

6.16 REFERENCES: (ATTACHMENT D)

Contractors must provide at least five (5) reference accounts to whom they are presently providing this service. Included must be name of government or company, individual to contact, phone number and address. Preference in awarding this Contract may be given to Contractors furnishing government accounts similar in size to Maricopa County.

6.17 BID PROTESTS AND DISPUTE RESOLUTION:

Bid protests and contract disputes shall be handled in accordance with the provisions of Article 9, MC1-905, MC1-906, respectively, of the Maricopa County Procurement Code.

6.18 INCURRING COSTS:

Maricopa County is not responsible for any costs incurred in preparing this bid, including the acquisition of supplies and/or personnel until a contract is awarded by the Maricopa County Board of Supervisors.

6.19 PROPRIETARY INFORMATION:

Proprietary information submitted by a contractor for this bid shall remain confidential as permitted by law or regulation.

6.0 ADMINISTRATIVE INFORMATION: (continued)6.20 PUBLIC RECORD:

All information submitted relating to this bid, except for proprietary information, shall become part of the public record.

6.21 CONFORMANCE TO THE MARICOPA COUNTY PROCUREMENT CODE:

If any contractor believes that any aspect of this solicitation is inequitable or impracticable of performance, they will proceed in accordance with the Maricopa County Procurement Code, Section MC1-905, to secure an administrative determination on this point.

6.22 REJECTION OF PROPOSALS:

Maricopa County reserves the right to reject any, and all, proposals received in response to this proposal as determined to be in the best interests of the County.

6.23 CONTRACTOR WITHDRAWAL:

If, at any time prior to the opening of this proposal a contractor decides to withdraw its proposal, that contractor shall give written notice to the Materials Management Director, 320 West Lincoln, Phoenix, Arizona 85003.

6.24 MBE/WBE PARTICIPATION:

Contractors submitting proposals are encouraged to solicit MBE/WBE participation on this contract. A list of certified MBE/WBE enterprises may be obtained by contacting Carlos Avelar, Contracts Compliance Coordinator for Maricopa County at (602) 506-8656. Please indicate in your bid response MBE/WBE areas of involvement for monitoring purposes.

6.25 PROMPT PAYMENT DISCOUNT:

Maricopa County, through its "Continuous Improvement Initiatives" has identified Contractor Payment as a process requiring attention and improvement. Maricopa County has initiated changes in this area which are intended to both improve and expedite this process. In light of these efforts,

contractors are strongly encouraged to offer Maricopa County Cash Discounts for Prompt Payment Terms. Invoices reflecting such Cash Discounts will be processed with the highest priority.

6.26 RETENTION OF RECORDS:

The Contractor agrees to retain all financial books, records, and other documents relevant to this Contract for six (6) years after final payment or until after the resolution of any audit questions which could be more than six (6) years, whichever is longer. The Department, Federal or State auditors and any other persons duly authorized by the Department shall have full access to, and the right to examine, copy and make use of any and all said materials.

6.27 ADEQUACY OF RECORDS:

If the Contractor's books, records and other documents relevant to this Contract are not sufficient to support and document that allowable services were provided to eligible clients the Contractor shall reimburse Maricopa County for the services not so adequately supported and documented.

6.0 ADMINISTRATIVE INFORMATION: (continued)

6.28 AUDIT DISALLOWANCES:

If at any time it is determined by the Department that a cost for which payment has been made is a disallowed cost, the Department shall notify the Contractor in writing of the disallowance and the required course of action, which shall be at the option of the Department either to adjust any future claim submitted by the Contractor by the amount of the disallowance or to require repayment of the disallowed amount by the Contractor forthwith issuing a check payable to Maricopa County.

6.29 CONTRACT ADMINISTRATION:

To help insure contract compliance, a contract administration process will be an integral part of this contract. The Contract Administration Process Procedure and Forms are shown in Exhibit A. County employees will be assigned as contract monitors for key locations throughout the County. Materials Management, Facilities Management and the user organizations will utilize the procedure. The successful contractor will be made aware of the findings from the process and participate in the post award meeting. This contract administration process is an audit and feedback system and will be in addition to any of the other policies and procedures contained herein. The Contract Administration Process is a total quality management tool that empowers the hands-on users to monitor and assure contract compliance. The contractors should know in the bidding process that the successful contractor will be closely monitored for contract compliance. No additional cost is anticipated to be incurred by the successful contractor by the presence of the

contract administration process as long as contract compliance is maintained.

Except for the more formalized feedback of findings, the normal contractor/user relationship will exist when within compliance and the contract administration process should be transparent.

6.30 REGISTRATION:

Contractors are required to be registered with Maricopa County prior to receiving an award for any County Business. Failure to comply with this requirement will cause your bid to be declared non-responsive. Registration Forms are available from the Department of Materials Management, 320 West Lincoln Street, Phoenix, Arizona 85003 or by calling (602) 506-3244.

6.31 ADDITIONAL COSTS:

Any contractor who causes the county to incur additional costs to review and verify invoices due to contractor submitting incorrect data. (E.G. Quotes and equipment and software, invoices etc.) will be charged for Maricopa County's costs to review and correct such erroneous billings.

6.32 The Maricopa County Procurement Code ("The Code") governs this procurement and is incorporated by this reference. Any protests concerning this request for proposals must be filed with the Procurement Officer in accordance with Section MCI-905 of the Code.

7.0 TERMS AND CONDITIONS:

7.1 LANGUAGE FOR REQUIREMENTS CONTRACTS:

Contractors signify their understanding and agreement by signing this document, that the contract resulting from this bid or proposal will be a requirements contract. However, this contract does not guarantee that any purchases will be made. It only indicates that if purchases are made for the services contained in this contract, that they will be purchased from the contractor awarded that item.

7.2 CONTRACT LENGTH:

This Request for Proposals is for awarding a **firm fixed price** purchasing contract to cover a three year period.

7.3 OPTION TO EXTEND:

The County may, at their option and with the approval of the Contractor, extend the period of this agreement up to a maximum of two (2), one (1) year options. The Contractor shall be notified in writing by the Materials Management Department of

the County's intention to extend the contract period at least thirty (30) calendar days prior to the expiration of the original contract period.

7.4 ESCALATION:

Any requests for price adjustments must be submitted thirty (30) days prior to the Contract renewal date (**3 years**). Justification for the requested adjustment in cost of labor and/or materials must be accompanied by appropriate documentation. Escalation shall not exceed the increase in the Phoenix Metropolitan Price Index as reported for "Arizona Business" as published by the Center for Business Research, Arizona State University of Business, Tempe, Arizona, 85287-4406, Telephone (602) 956-3961 per contract period and must be approved in writing by the Materials Management Department prior to any adjusted invoicing being submitted for payment.

7.5 INCORPORATION OF PROPOSAL INTO THE CONTRACT:

The contents of this proposal and the selected firm's response is to be incorporated, in total, into the contract.

7.6 UNCONDITIONAL TERMINATION FOR CONVENIENCE:

Maricopa County may terminate the resultant agreement for convenience by providing sixty (60) calendar days advance notice to the contractor.

7.7 DEFAULT:

The County may suspend, terminate, or modify this contract immediately upon written notice to the Contractor in the event of a nonperformance of stated objectives or other material breach of contractual obligations; or upon the happening of any event which would jeopardize the ability of the Contractor to perform any of its contractual obligations. Maricopa County reserves the right to have service provided by other than the Contractor if the Contractor is unable or fails to provide requested service within the specified time frame.

7.0 TERMS AND CONDITIONS: (continued)

7.8 TERMINATION BY THE COUNTY:

If the Contractor should be adjudged bankrupt or should make a general assignment for the benefit of its creditors, or if a receiver should be appointed on account of its insolvency, the County may terminate this Agreement. If the Contractor should persistently or repeatedly refuse or should fail, except in cases for which extension of time is provided, to provide enough properly skilled workers or proper materials, or persistently disregard laws and ordinances, or not proceed with work or otherwise be guilty of, a substantial violation of any provision of this Agreement, then the County may terminate this Agreement. Prior to termination of this Agreement, the County shall give

the Contractor fifteen (15) calendar days written notice. Upon receipt of such termination notice, the Contractor shall be allowed fifteen (15) calendar days to cure such deficiencies.

7.9 APPROPRIATION CONTINGENCY:

The contractor recognized that any agreement entered into shall commence upon the day first provided and continued in full force and effect until termination in accordance with its provisions. The contractor and the County herein recognized that the continuation of any contract after the close of any given fiscal year of the County which fiscal years end on June 30 of each year, shall be subject to the approval of the budget of the County providing for or covering such contract item as an expenditure therein. The County does not represent that said budget item will be actually adopted, said determination being the determination of the County Board of Supervisors at the time of the adoption of the budget.

7.10 FAILURE TO PROVIDE SERVICES:

Maricopa County reserves the right to have service provided by other than the Contractor if the Contractor is unable or fails to provide requested service within the specified time frame.

The agreement is not intended to constitute, create, give rise to or otherwise recognize a joint venture agreement or relationship, partnership or formal business organization of any kind, and the rights and obligations of the parties shall be only those expressly set forth in the agreement.

7.11 ORGANIZATION - EMPLOYMENT DISCLAIMER:

The parties agree that no persons supplied by the Contractor(s) in the performance of obligations under the agreement are considered to be County employees, and that no rights of County civil service, retirement or personnel rules accrue to such persons. The Contractor(s) shall have total responsibility for all salaries, wages, bonuses, retirement withholdings, workmen's compensation, other employee benefits and all taxes and premiums appurtenant thereto concerning such persons, and shall save and hold the County harmless with respect thereto.

7.0 TERMS AND CONDITIONS: (continued)

7.12 INDEMNIFICATION:

For Professional Liability:



To the fullest extent permitted by law, the Contractor shall defend, indemnify and hold harmless the County, its agents representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to, arising out of, or alleged to have resulting from the Contractor's acts, errors, mistakes or omissions relating to professional services in the performance of this Contract. Contractor's duty to defend, hold harmless and indemnify the County, its agents, representatives, officers, directors, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use resulting therefrom, caused by any acts, errors, mistakes or omissions related to professional services in the performance of this Contract including any person for whose acts, errors, mistakes or omissions the Contractor may be legally liable.

#### 7.13 INSURANCE REQUIREMENTS

The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this paragraph.

**For all other hazards, liabilities and exposures:** To the fullest extent permitted by law, the Contractor shall defend, indemnify and hold harmless the County, its agents, representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to, arising out of or resulting from the Contractor's work or services. Contractor's duty to defend, hold harmless, and indemnify the County, its agents, representatives, officers, directors, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, injury to, impairment or destruction of property including loss of use resulting therefrom, caused in whole or in part by any act or omission of the Contractor, anyone Contractor directly or indirectly employs or anyone for whose acts Contractor may be liable, regardless of whether it is caused in part by a party indemnified hereunder, including the County.

The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this paragraph.

**General Clauses.** The Contractor, at its own expense, shall purchase and maintain the minimum insurance specified below with companies duly licensed, with a current A.M. Best, Inc. Rating of B++6, or approved unlicensed by the State of Arizona Department of Insurance.

**Additional Insured.** The insurance coverage, except Workers' Compensation and Professional Liability, required by this Contract, shall name the County, its agents, representatives,

officers, directors, officials and employees as Additional Insureds.

7.0 TERMS AND CONDITIONS: (continued)

7.13 INSURANCE REQUIREMENTS: (continued)

**Coverage Term.** All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted; failure to do so may, at the sole discretion of the County, constitute a material breach of this Contract.

**Primary Coverage.** The Contractor's insurance shall be primary insurance as respects the County, and any insurance or self insurance maintained by the County shall not contribute to it.

**Claim Reporting.** Any failure to comply with the claim reporting provisions of the policies or any breach of a policy warranty shall not affect coverage afforded under the policies to protect the County.

**Waiver.** The policies, except Workers' Compensation, shall contain a waiver of transfer rights of recovery (subrogation) against the County, its agents, representatives, directors, officers, and employees for any claims arising out of the Contractor's work or service.

**Deductible/Retention.** The policies may provide coverage which contain deductibles or self insured retentions. Such deductible and/or self insured retentions shall not be applicable with respect to the coverage provided to the County under such policies. The Contractor shall be solely responsible for the deductible and/or self insured retention.

**Copies of Policies.** The County reserves the right to request and to receive, within 10 working days, certified copies of any or all of the above policies and/or endorsements. The County shall not be obligated, however, to review same or to advise Contractor of any deficiencies in such policies and endorsements, and such receipt shall not relieve Contractor from, or be deemed a waiver of the County's right to insist on, strict fulfillment of Contractor's obligations under this Contract.

**Commercial General Liability.** Contractor shall maintain Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence with a \$1,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual covering, but not limited to, the liability assumed under the indemnification provisions of this Contract which Coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 00011093 or any replacements thereof. The Commercial General Liability additional insured endorsement will be at least as broad as the

Insurance Service Office, Inc. Additional Insured, Form B, CG 20101093, or replacements thereof.

Such policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, nor any provision which would serve to limit third party action over claims.

7.0 TERMS AND CONDITIONS: (continued)

7.13 INSURANCE REQUIREMENTS: (continued)

**Automobile Liability.** Contractor shall maintain Commercial/Business Automobile Liability insurance with a combined single limit for bodily injury and property damage of not less than \$500,000 each occurrence with respect to the Contractor's any owned, hired, and non-owned vehicles assigned to or used in performance of the Contractor's work or services.

Coverage will be at least as broad as coverage code 1, "any auto", (Insurance Service Office, Inc. Policy Form CA 00011293, or any replacements thereof).

**Workers' Compensation.** The Contractor shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of the work or services; and Employer's Liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee, and \$100,000 disease policy limit.

In case any work is subcontracted, the Contractor will require the Subcontractor to provide Worker's Compensation and Employer's Liability to at least the same extent as required of the Contractor.

**Professional Liability.** The Contractor retained by the County to provide the work or service required by this Contract will maintain Professional Liability insurance covering errors and omissions arising out of the work or services performed by the Contractor or any person employed by the Contractor, with a limit of not less than \$1,000,000 each claim.

7.14 CERTIFICATES OF INSURANCE:

Prior to commencing work or services under this Contract, Contractor shall furnish the County with Certificates of Insurance, or formal endorsements as required by the contract, issued by Contractor's insurer(s), as evidence that policies providing the required coverages, conditions and limits required by this Contract are in full force and effect. Such certificates shall identify this Contract number or name.

In the event any insurance policy(ies) required by this contract is(are) written on a "claims made" basis, coverage shall extend

for two years past completion and acceptance of the work or services and as evidenced by annual Certificates of Insurance. All Certificates of Insurance shall be identified with bid serial number and title. A \$25.00 administrative fee will be assessed for all certificates received without the appropriate bid serial number and title.

7.15 CANCELLATION AND EXPIRATION NOTICE:

Insurance evidenced by this Certificate shall not expire, be canceled, or materially changed without fifteen (15) days prior written notice to the County. If a policy does expire during the life of the contract, a renewal Certificate must be sent to the County fifteen (15) days prior to the expiration date.

7.0 TERMS AND CONDITIONS: (continued)

7.16 CHANGES:

The County may require changes in the scope of the services to be performed by the Contractor hereunder. All such changes, which are mutually agreed upon by and between all the parties, shall be incorporated in written amendments to this Agreement. All such amendments shall state any increase or decrease in the amount of the compensation due to the Contractor for the change in scope.

7.17 ADDITIONS/DELETIONS OF SERVICE:

The County reserves the right to add and/or delete services to this contract. Should a service requirement be deleted, payment to the Contractor will be reduced proportionally, to the amount of service reduced in accordance with the bid price. Should additional services be required from this contract, prices for such additions will be negotiated between the Contractor and the County.

7.18 SEVERABILITY:

Any provision of this contract which is determined to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision hereof, and remaining provisions shall remain in full force and effect.

7.19 CONTRACTOR RESPONSIBILITY:

The Contractor will be responsible for any damages whatsoever to County property as applicable when such property is the responsibility or in the custody of the Contractor, his employees or subcontractors.

Contractor agrees that all subcontractors performing work under this agreement shall comply with its provisions and it is

expressly understood that all persons employed by the Contractor, either directly or indirectly, shall be considered employees of the Contractor, and not employees of Maricopa County.

7.20 ASSIGNMENT OR SUBCONTRACTING:

Neither this Agreement, nor any portion thereof, may be assigned by Contractor without the written consent of the County first having been obtained. Any attempt by the Contractor to assign or subcontract any performance of this Agreement without the written consent of the County shall be null and void and shall constitute a breach of this Agreement.

7.21 RIGHTS IN DATA:

The County shall have the use of data and reports resulting from this Contract without additional cost or other restriction except as may be established by law or applicable regulation. Each party shall supply to the other party, upon request, any available information that is relevant to this Contract and to the performance hereunder.

7.22 SECURITY AND PRIVACY:

The Contractor agrees that none of its officers or employees shall use or reveal any research or statistical information furnished by any person and identifiable to any specific private person for any purpose other than the purpose for which it was obtained.

7.0 TERMS AND CONDITIONS: (continued)

7.22 SECURITY AND PRIVACY: (continued)

Copies of such information shall not, without the consent of the person furnishing such information, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceedings, unless ordered by a court of competent jurisdiction. The County shall be notified immediately upon receipt of any such order of court, pertaining to production of such information.

The Contractor shall incorporate the foregoing provisions of this paragraph in all of its authorized subcontracts.

7.23 CONTRACTOR LICENSE REQUIREMENT:

The Contractor shall procure all permits and licenses, and pay all charges and fees necessary and incidental to the lawful conduct of his business. He shall keep himself fully informed of existing and future Federal, State, and Local laws, ordinances and regulations which in any manner affect the fulfillment of this contract and shall comply with the same.

7.24 DELIVERY:

It shall be the contractor's responsibility to meet the County's delivery requirements, as called for in the Technical Specifications. Maricopa County reserves the right to obtain material on the open market in the event the contractor fails to make delivery and any price differential will be charged against the Contractor.

7.25 PERFORMANCE BOND:

The successful contractor will be required to furnish a performance bond in the amount of (\$50,000.00) within 10 days from receipt of notification of award. Date of U.S. postmark will be accepted as date of delivery of performance bond. Contractors are requested to tender this bond on a document approved by the Arizona Department of Insurance. Contractor failing to supply a performance bond as required will forfeit his right to the contract. A cashier's check, certified commercial check, irrevocable letter of credit or certificate of deposit, will be accepted in lieu of bond. Performance bonds are to be identified with bid serial number, title and return address.

7.26 OFFSET FOR DAMAGES:

In addition to all other remedies at Law or Equity, the County may offset from any money due to the contractor any amounts contractor owes to the County for damages resulting from breach or deficiencies in performance under this contract.

7.27 PRICE REDUCTIONS:

By submitting a bid or proposal in response to this solicitation, contractors agree to guarantee that Maricopa County is receiving the lowest price offered by your company to other customers **for similar services at comparable volumes in a similar geographic area.** If at any time during the contract period your company offers a lower price to another customer, notification not be made of price reductions, upon discovery Maricopa County shall reserve the right to take any or all of the following actions:

7.0 TERMS AND CONDITIONS: (continued)

7.27 PRICE REDUCTIONS: (continued)

7.27.1 Cancel the contract, if it is currently in effect.

7.27.2 Determine the amount which the County was overcharged and submit a request for payment from the contractor for that amount.

7.27.3 Take the necessary steps to collect any performance surety provided on the applicable contract.

8.0 INSTRUCTIONS FOR PROPOSAL:

8.1 INSTRUCTIONS FOR PREPARING AND SUBMITTING PROPOSALS:

Proposers are to provide five (5) copies of their proposal. Proposers are to address proposals identified with serial number, title and return address to Maricopa County, Department of Materials Management, Serial 97143-RFP, 320 West Lincoln, Phoenix, Arizona 85003. Proposals must be signed by a corporate official who has been authorized to make such commitments. Instructions to Proposers, Paragraph 1, is modified to read: All prices shall be held firm for a period of one hundred twenty (120) days after the RFP closing date.

## 8.2 EXCEPTIONS TO THE SOLICITATION:

The Contractor will identify and list all exceptions taken to all sections of 97143-RFP and list these exceptions referencing the section (paragraph) where the exception exists and then identify the exceptions and the proposed wording for the contractors exception. The Contractor will list these exceptions in the Best and Final Proposal under the heading "Exception to the Solicitation, BS97143-RFP ". Exceptions that surface elsewhere and that do not also appear under the heading "Exception to the Solicitation, BS97143-RFP ", shall be considered invalid and void and of no contractual significance.

The County reserves the right to reject, render the proposal non-responsive, enter into negotiation on any of the contractor exceptions, or accept them outright.

## 8.3 GENERAL:

The Proposal submitted should be specific and complete in every detail. It should be practical and should be prepared simply and economically, providing a straight forward, concise delineation of capabilities to satisfactorily perform the contract being sought.

The contractor should not necessarily limit the proposal to the performance of the services in accordance with this document but should outline any additional services and their costs if the contractor deems them necessary to accomplish the program.

## 8.0 INSTRUCTIONS FOR PROPOSAL:

### 8.4 FORMAT AND CONTENT:

To aid in the evaluation, it is desired that all proposals follow the same general format. **The proposals are to be submitted in binders and have sections tabbed as below :**

- 8.4.1 Table of Contents
- 8.4.2 Registration Sheet (ATTACHMENT A)
- 8.4.3 Letter of Transmittal (ATTACHMENT B)
- 8.4.4 Agreement Page (ATTACHMENT C)
- 8.4.5 References (ATTACHMENT D)
- 8.4.6 Short introduction and summary - This section shall contain an outline of the general approach utilized in the proposal.
- 8.4.7 Proposal - Your proposal should contain a statement of all the programs and services proposed including conclusions and generalized recommendations. Proposals should be all inclusive detailing your best offer. Additional related services should be incorporated into the proposal if applicable.
- 8.4.8 Personal Qualifications - Support personnel, as applicable, shall be listed including a description of assignments and responsibilities, a resume of professional experience and an estimate of the time each would devote to this program, and other pertinent information.
- 8.4.9 Answer to Questionnaire (5.0)
- 8.4.10 Cost or fees. (7.0)
- 8.4.11 Proposal exceptions

9.0 EVALUATION FACTORS:

9.1 GENERAL:

Proposals will be evaluated by a committee composed of various Maricopa County departments. Requests for presentations or clarification of portions of the proposals may be considered. A summary evaluation will be prepared by this committee with an objective ranking of the proposals.

9.2 AWARD OF CONTRACT:

Contracts awarded pursuant to the provisions of this section will not be solely on price. The contract will be awarded by the Board of Supervisors to a qualified firm at compensation determined to be fair and reasonable considering budgetary limitations, scope, complexity and the nature of goods and/or services. The proposal may be awarded in whole, by section, or geographic area as required.



9.0 EVALUATION FACTORS: (continued)9.3 BASIC EVALUATION PROCEDURE:

- Step 1 Review of all Proposals to conformance of this RFP.
- Step 2 The elimination of all proposals which deviate substantially from the basic intent of the proposal.
- Step 3 An assessment of the remaining proposers. This assessment will also include a review of the contractor personnel capability and the previous experience of each contractor.
- Step 4 Verification of contractor references.
- Step 5 Oral presentations to supplement the proposal, for the purpose of clarification, may be required of selected contractors. The time and place for oral presentations will be announced at a later date, if such a presentation is required.
- Step 6 Capability of the contractor to participate in this particular program, including eligibility based on the contractor's financial stability and viability.
- Step 7 Tabulation and evaluation of contractors.

9.4 EVALUATION OF PROPOSAL: SELECTION FACTORS

A proposal analysis committee shall be appointed, chaired by the Materials Management Department to evaluate each proposal and prepare a scoring of each proposal to the responses as solicited in the original request:

- 9.4.1 Ability of the Contractor to meet or exceed the specifications and standards of the RFP.
- 9.4.2 Demonstrated experience on similar projects or contracts; and qualifications and stability of the Contractor.
- 9.4.3 Experience and qualifications of the personnel assigned to this Contract.
- 9.4.4 Contractor's response to the Scope of Work/Specifications including proposed schedule and plan to complete project or Contract.
- 9.4.5 Quality and thoroughness of proposed actuarial services.
- 9.4.6 Price.

SD/af

cc: Risk Management

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(CONTRACTORS ARE REQUIRED TO USE ATTACHED FORMS TO SUBMIT THEIR BIDS)

DELOITTE & TOUCHE , 1000 WILSHIRE BLVD., STE. 2100, LOS ANGELES, CA 90017-2472

7.0 PRICING:

B0605755

TERMS: NET 30

FEDERAL TAX ID NUMBER: ~~13-513-3500~~ 13-3891517

TELEPHONE NUMBER: (213) ~~688-6913~~ 688-0800

FAX NUMBER: (213) ~~892-6293~~ 692-0100

VENDOR NUMBER: ~~135133500~~ 133891517 A

CONTRACT PERIOD: TO COVER THE PERIOD ENDING ~~OCTOBER 31, 2000~~ OCTOBER 31, 2001